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**“Perspectives on the California Property Tax System”  
Revenue and Taxation Interim Committee  
Utah State Legislature --- Salt Lake City  
Wednesday, November 12, 2008**

Making property taxes more predictable is a legitimate policy goal and property acquisition valuation is one method of approaching that goal. However, other methods may achieve that policy goal with fewer unintended consequences.

- What are some of the unintended consequences?
- What are some of the other methods?

Policy responses that go beyond making assessed valuation more predictable can compound the unintended consequences.

- Uniform property tax rates.
- Prohibiting property taxes for local bonds.
- Legislative allocation of property tax revenues.
- Restrictions on local taxation.
- State-mandated local programs.

**Peter Detwiler** is the staff director for the California State Senate Committee on Local Government. The Committee’s policy jurisdiction includes bills affecting the governance of counties, cities, special districts, and joint powers agencies; local taxes, assessments, and fees; and land use planning and development. Before starting with the Committee in 1982, Detwiler worked for the Governor’s Office of Planning and Research (OPR) and the San Diego Local Agency Formation Commission (LAFCO). His B.A. in Government is from Saint Mary’s College of California (1971) and his M.A. in Public Policy and Administration is from the

**Keeping up with the Joneses?**  
**Horizontal Inequity in Residential Property Taxes**

	<b><u>Jones</u></b>	<b><u>Kramer</u></b>	<b><u>Lopez</u></b>
1975 Market Value	\$100,000	\$100,000	\$100,000
1978 Market Value	\$122,504	\$122,504	\$122,504
1978 Assessed Value	\$100,000	\$100,000	\$100,000
1990 Market Value	\$275,903	\$275,903	\$275,903
1990 Assessed Value	\$126,824	\$275,903	\$126,824
2005 Market Value	\$761,226	\$761,226	\$761,226
2005 Assessed Value	\$170,689	\$371,329	\$761,226
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2005 Tax Bill (1% of A.V.)	\$1,707	\$3,713	\$7,612
2005 Effective Tax Rate	0.22%	0.49%	1.00%
2005 Disparity Ratio	4.46	2.05	1.00

Based on “Box 6: Example of Horizontal Inequities Created by an Acquisition Value System,” p. 27, Haveman & Sexton, Property Tax Assessment Limits, Cambridge Massachusetts: Lincoln Institute of Land Policy, 2008.